

FEDERAL RESERVE press release



For immediate release

May 22, 1997

The Federal Reserve Board today announced the issuance of consent Orders of Assessment of Civil Money Penalties against Michael L. Riddle, John Averett, Park Jones, and T. Stuart Ducote, former officers and directors of Provident Bancorp of Texas, Inc., Dallas, Texas, formerly a bank holding company.

Messrs. Riddle, Averett, Jones, and Ducote, without admitting to any allegations, consented to the issuance of the Orders in settlement of charges brought by the Board in December 1995. Those charges alleged that Messrs. Riddle, Averett, Jones, and Ducote participated in violations of the Change in Bank Control Act in connection with the financing related to the acquisition of control of Provident Bancorp by other individuals between December 1990 and February 1991.

The Board's Orders require that Mr. Riddle and Mr. Averett pay civil money penalties of \$100,000 in the aggregate, that Mr. Jones pay a civil money penalty of \$20,000, and that Mr. Ducote pay a civil money penalty of \$1,500.

Copies of the Board's Orders are attached.

Attachments

UNITED STATES OF AMERICA
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of	)	Docket Nos. 95-042-B-I1
	)	95-042-B-I2
	)	95-042-CMP-I1
	)	95-042-CMP-I2
MICHAEL L. RIDDLE,)	
A former institution-)	
affiliated party of Provident)	
Bancorp of Texas, Inc.)	
)	
)	
JOHN AVERETT	)	Order of Assessment of
A former institution-	)	Civil Money Penalties Issued
affiliated party of Provident	)	Upon Consent Pursuant to the
Bancorp of Texas, Inc.	)	Federal Deposit Insurance Act,
	)	as Amended (the "FDI Act")
)	
)	

WHEREAS, pursuant to sections 7(j) and 8(i) of the FDI Act, 12 U.S.C. §§ 1817(j) & 1818(i), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this consent Order of Assessment of Civil Money Penalties (the "Consent Order") against Michael L. Riddle ("Riddle") and John Averett ("Averett"), former institution-affiliated parties of Provident Bancorp of Texas, Inc., Dallas, Texas, formerly a registered bank holding company;

WHEREAS, the Board of Governors, on December 8, 1995, issued a combined Notice of Charges and of Hearing and Notice of Assessment of Civil Money Penalties (the "December 8, 1995 Notice") against Riddle, Averett, and others which alleges that

they and others participated in alleged violations of the Change in Bank Control Act, 12 U.S.C. § 1817(j), in connection with the financing related to the acquisition of control of Provident Bancorp by Donald R. Horton and others between December 1990 and February 1991;

WHEREAS, Riddle and Averett, without admitting any of the allegations contained in the December 8, 1995 Notice, and to avoid protracted and extended proceedings, hereby respectively consent as set forth herein to an order of assessment of civil money penalties pursuant to sections 7(j) and 8(i) of the FDI Act, 12 U.S.C. §§ 1817(j) & 1818(i), in settlement of all charges contained in the December 8, 1995 Notice;

WHEREAS, this Consent Order resolves the proceedings initiated by the December 8, 1995 Notice against Riddle and Averett; and

WHEREAS, by affixing their signatures hereunder, Riddle and Averett have consented to the issuance of this Consent Order by the Board of Governors, and have waived any and all rights they might otherwise have pursuant to 12 U.S.C. §§ 1817 & 1818, 12 C.F.R. Part 263 or otherwise (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in the December 8, 1995 Notice or in this Consent Order; (b) to obtain judicial review of this Consent Order; and (c) to

challenge or contest in any manner the basis, issuance, validity, effectiveness, collectability or enforceability of this Consent Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of, or finding on, any issue of fact or law implied herein, and without this Consent Order constituting an admission by Riddle and Averett of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding and to avoid protracted or extended proceedings:

IT IS HEREBY ORDERED that pursuant to sections 7(j) and 8(i) of the FDI Act (12 U.S.C. §§ 1817(j) & 1818(i)), and section 263.63(a) of the Board of Governors' Rules of Practice (12 C.F.R. § 263.63(a)) that:

1. Riddle and Averett are assessed and shall forfeit and pay civil money penalties in the aggregate amount of \$100,000, such payments to be made on or before September 30, 1997.

2. The penalties assessed by this Consent Order shall be remitted in full, payable to the "Board of Governors of the Federal Reserve System", and shall be forwarded to William W. Wiles, Secretary of the Board, Board of Governors of the Federal

Reserve System, Washington, DC 20551, who shall make remittance of the same to the Treasury of the United States as required by statute.

3. If any civil money penalty amount is not remitted with the execution of this Consent Order, collateral in a form and amount acceptable to the Board of Governors shall be pledged to the Board of Governors upon the execution of this Consent Order, which pledge shall remain until the full civil penalty amount is paid. The Board of Governors may liquidate the pledged collateral, pursuant to the terms by which it is pledged, if the aggregate civil money penalty amount set forth in Paragraph 1 above is not paid on or before September 30, 1997, and apply the proceeds of the liquidation of such collateral to payment of the aggregate civil money penalty amount.

4. All communications regarding this Consent Order shall be sent to:

With regard to the Board of Governors:

- a. Robert Hankins
Senior Vice President
Federal Reserve Bank of Dallas
P.O. Box 655906
Dallas, Texas 75265

With regard to Riddle:

- b. Bruce Heitz, Esq.
1408 W. Abram
Arlington, TX 76013, and

- c. Jay Madrid, Esq.
Madrid, Corallo & Brooks, P.C.
8150 N. Central Expressway,
Suite 1700
Dallas, TX 75206

With regard to Averett:

- d. John Averett
3642 Overbrook Ln.
Houston, TX 77027

5. Each provision of this Consent Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.

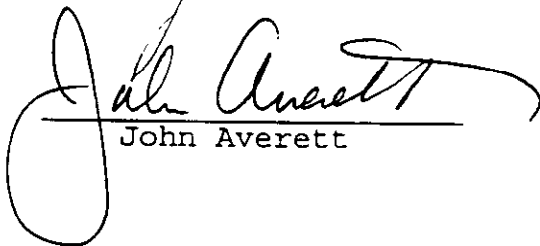
6. The provisions of this Consent Order shall not bar, estop or otherwise prevent the Board of Governors, or any federal or state agency or department, from taking any other action affecting Riddle or Averett, including actions to enforce the terms of this Consent Order; provided, however, the Board of Governors agrees that it shall not seek any other civil or


administrative proceeding against Riddle or Averett with respect to or arising out of any facts known to the Board of Governors prior to the issuance of the December 8, 1995 Notice.

By order of the Board of Governors of the Federal Reserve System, effective this 19th day of May, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Michael L. Riddle


John Averett

By: 
William W. Wiles
Secretary of the Board

control of Provident Bancorp by Donald R. Horton and other members of his family between December 1990 and February 1991;

WHEREAS, Jones, without admitting any of the allegations contained in the December 8, 1995 Notice, and to avoid costly, protracted and extended proceedings, hereby consents as set forth herein to an order of assessment of civil money penalties pursuant to sections 7(j) and 8(i) of the FDI Act, 12 U.S.C. §§ 1817(j) & 1818(i), in settlement of all charges contained in the December 8, 1995 Notice;

WHEREAS, this Consent Order resolves the proceedings initiated by the December 8, 1995 Notice against Jones; and

WHEREAS, by affixing his signature hereunder, Jones has consented to the issuance of this Consent Order by the Board of Governors, and has waived any and all rights he might otherwise have pursuant to 12 U.S.C. §§ 1817 & 1818, 12 C.F.R. Part 263 or otherwise (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in the December 8, 1995 Notice or in this Consent Order; (b) to obtain judicial review of this Consent Order; and (c) to challenge or contest in any manner the basis, issuance, validity, effectiveness, collectability or enforceability of this Consent Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of, or finding on, any issue of fact or law implied herein, and without this Consent Order constituting an admission by Jones of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding and to avoid protracted or extended proceedings:

IT IS HEREBY ORDERED that pursuant to sections 7(j) and 8(I) of the FDI Act (12 U.S.C. §§ 1817(j) & 1818(i)), and section 263.63(a) of the Board of Governors' Rules of Practice (12 C.F.R. § 263.63(a)) that:

1. a. Jones is assessed and shall forfeit and pay a civil money penalty in the amount of \$20,000.

b. No portion of Jones' civil money penalty shall be, directly or indirectly, paid, advanced, reimbursed or otherwise funded by Provident Bank, Dallas, Texas, or any successors or assigns.

2. The penalty assessed by this Consent Order shall be remitted in full, payable to the "Board of Governors of the Federal Reserve System", and shall be forwarded to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551, who shall make remittance

of the same to the Treasury of the United States as required by statute.

3. All communications regarding this Consent Order shall be sent to:

With regard to the Board of Governors:

b. Robert Hankins
Senior Vice President
Federal Reserve Bank of Dallas
P.O. Box 655906
Dallas, Texas 75265

With regard to Jones:

c. Mark Johansen, Esq.
Crotty & Johansen, L.L.P.
2311 Cedar Springs Rd. Suite 250
Dallas, TX 75201


4. Each provision of this Consent Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.


5. The provisions of this Consent Order shall not bar, estop or otherwise prevent the Board of Governors, or any federal or state agency or department, from taking any other action affecting Jones, including actions to enforce the terms of this Consent Order; provided, however, the Board of Governors agrees that it shall not seek any other civil or administrative

proceeding against Jones with respect to or arising out of any facts known to the Board of Governors prior to the issuance of this Consent Order.

By order of the Board of Governors of the Federal Reserve System, effective this 19th day of May, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Park Jones

By: 
William W. Wiles
Secretary of the Board

UNITED STATES OF AMERICA
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of	)	Docket Nos. 95-042-CMP-I4
	)	95-042-B-I3
)	
T. STUART DUCOTE	)	Order of Assessment of
A former institution-	)	Civil Money Penalty Issued
affiliated party of Provident	)	Upon Consent Pursuant to the
Bancorp of Texas, Inc.	)	Federal Deposit Insurance Act,
	)	as Amended (the "FDI Act")
)	
)	

WHEREAS, pursuant to sections 7(j) and 8(i) of the FDI Act, 12 U.S.C. §§ 1817(j) & 1818(i), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this consent Order of Assessment of Civil Money Penalty (the "Consent Order") against T. Stuart Ducote ("Ducote"), a former institution-affiliated party of Provident Bancorp of Texas, Inc., Dallas, Texas, formerly a registered bank holding company;

WHEREAS, the Board of Governors, on December 8, 1995, issued a combined Notice of Charges and of Hearing and Notice of Assessment of Civil Money Penalties (the "December 8, 1995 Notice") against Ducote, and others which alleges that they and others participated in alleged violations of the Change in Bank Control Act, 12 U.S.C. § 1817(j), in connection with the financing related to the acquisition of control of Provident

Bancorp by Donald R. Horton and others between December 1990 and February 1991;

WHEREAS, Ducote, without admitting any of the allegations contained in the December 8, 1995 Notice, and to avoid protracted and extended proceedings, hereby consents as set forth herein to an order of assessment of civil money penalty pursuant to sections 7(j) and 8(i) of the FDI Act, 12 U.S.C. §§ 1817(j) & 1818(i), in settlement of all charges contained in the December 8, 1995 Notice;

WHEREAS, this Consent Order resolves the proceedings initiated by the December 8, 1995 Notice against Ducote; and

WHEREAS, by affixing his signature hereunder, Ducote has consented to the issuance of this Consent Order by the Board of Governors, and has waived any and all rights he might otherwise have pursuant to 12 U.S.C. §§ 1817 & 1818, 12 C.F.R. Part 263 or otherwise (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in the December 8, 1995 Notice or in this Consent Order; (b) to obtain judicial review of this Consent Order; and (c) to challenge or contest in any manner the basis, issuance, validity, effectiveness, collectability or enforceability of this Consent Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of, or finding on, any issue of fact or law implied herein, and without this Consent Order constituting an admission by Ducote of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding and to avoid protracted or extended proceedings:

IT IS HEREBY ORDERED that pursuant to sections 7(j) and 8(i) of the FDI Act (12 U.S.C. §§ 1817(j) & 1818(i)), and section 263.63(a) of the Board of Governors' Rules of Practice (12 C.F.R. § 263.63(a)) that:

1. Ducote is assessed and shall forfeit and pay a civil money penalty in the amount of \$1,500.

2. The penalty assessed by this Consent Order shall be remitted in full, payable to the "Board of Governors of the Federal Reserve System", and shall be forwarded to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551, who shall make remittance of the same to the Treasury of the United States as required by statute.

3. All communications regarding this Consent Order shall be sent to:

With regard to the Board of Governors:

- a. Robert Hankins
Senior Vice President
Federal Reserve Bank of Dallas
P.O. Box 655906
Dallas, Texas 75265

With regard to Ducote:

- b. Harold Ducote, Esq.
Ducote & Associates
940 Southcoast Drive
Suite 185
Costa Mesa, CA 92626


4. Each provision of this Consent Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.


5. The provisions of this Consent Order shall not bar, estop or otherwise prevent the Board of Governors, or any federal or state agency or department, from taking any other action affecting Ducote, including actions to enforce the terms of this Consent Order; provided, however, the Board of Governors agrees that it shall not seek any other civil or administrative proceeding against Ducote with respect to or arising out of any

facts known to the Board of Governors prior to the issuance of the December 8, 1995 Notice.

By order of the Board of Governors of the Federal Reserve System, effective this 20th day of May, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


T. Stuart Ducote

By 
William W. Wiles
Secretary of the Board